

Presentation to Investors

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Chng Lay Chew, Chief Financial Officer

October 2017

Singapore Exchange



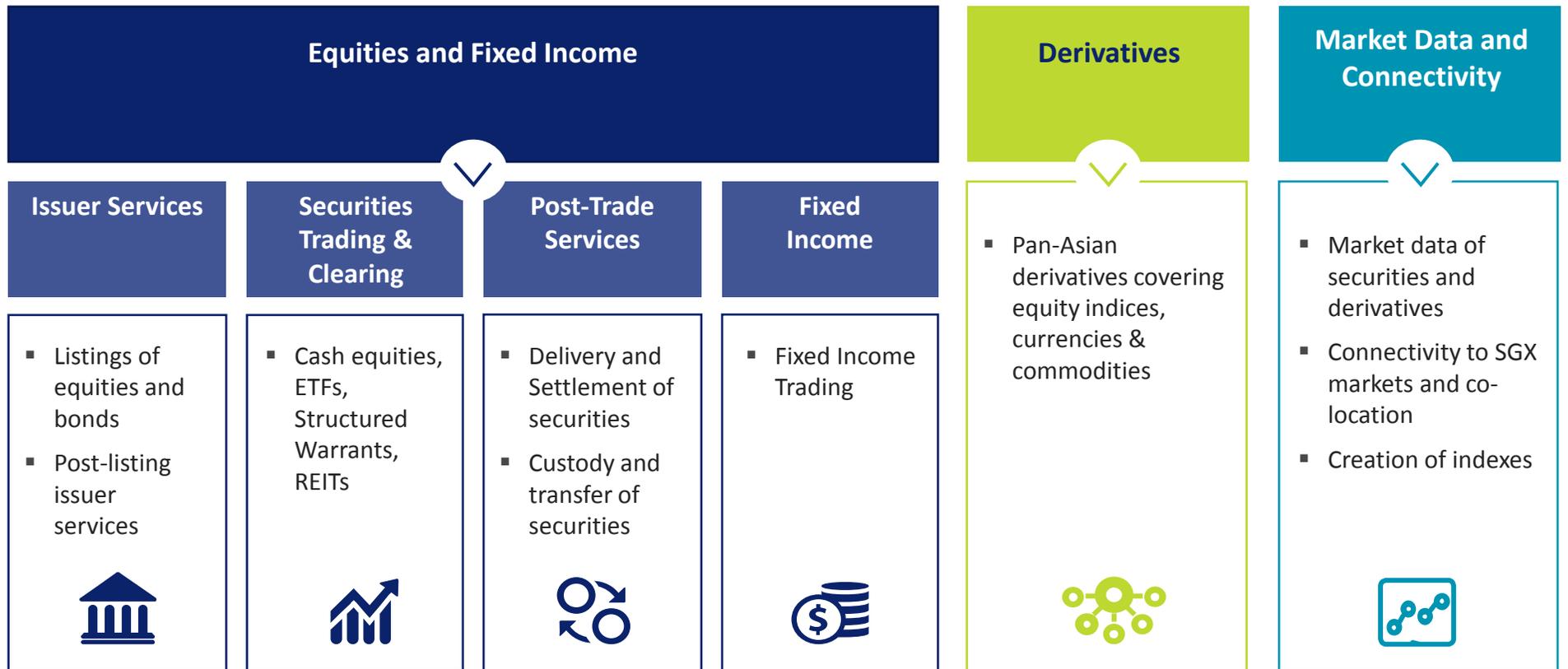
Who We Are

A diversified exchange group that runs key market infrastructure including the Singapore stock market and a pan-Asian derivatives exchange covering all major asset classes



Our Business Lines

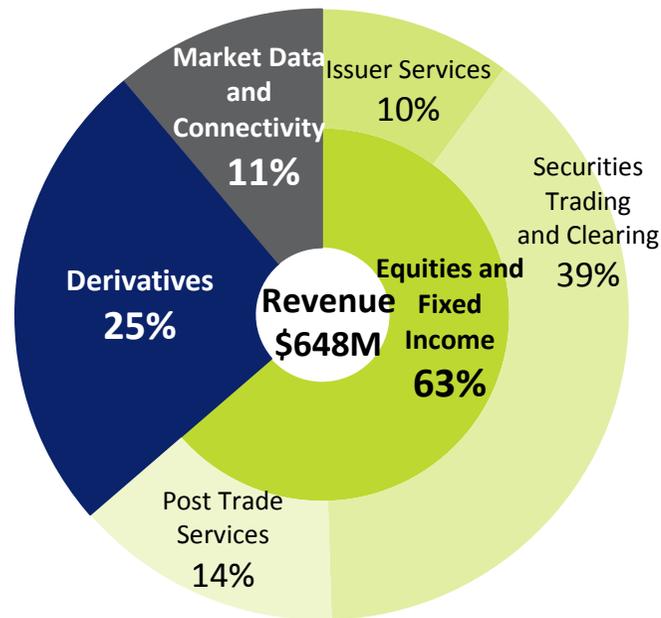
Three business units covering the entire exchange value chain, resulting in diversified and resilient revenue streams



Revenue Breakdown by Business Lines

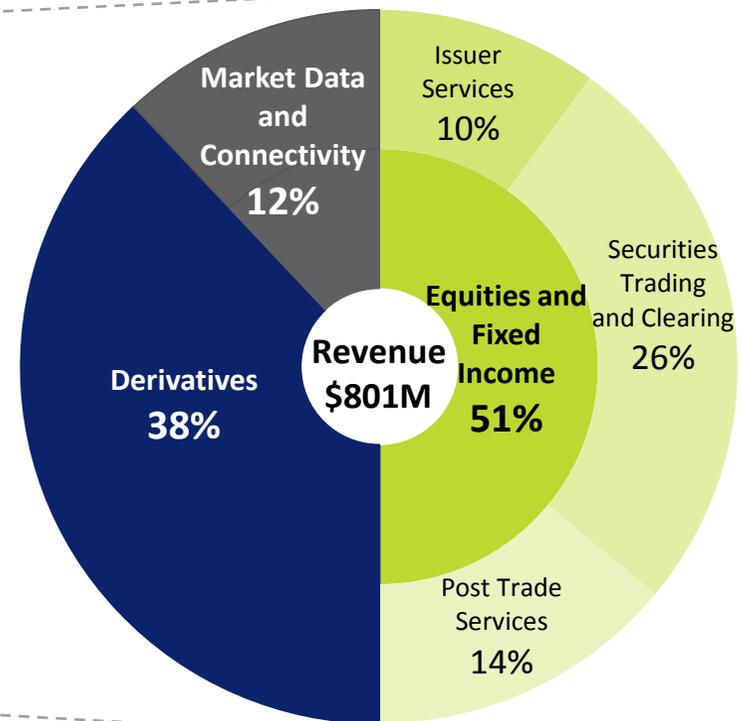
Successfully achieved diversification of revenues. Revenue contribution from Derivatives grew from 25% in FY2012 to 38% in FY2017.

FY2012 Revenue Breakdown



Net Profit: \$292 million

FY2017 Revenue Breakdown



Net Profit: \$340 million

Note: Numbers may be subject to rounding
 Source: SGX. Data as of FY2017

International Footprint

Anchored in Singapore with global reach, serving a diverse set of international clients seeking Asian opportunities



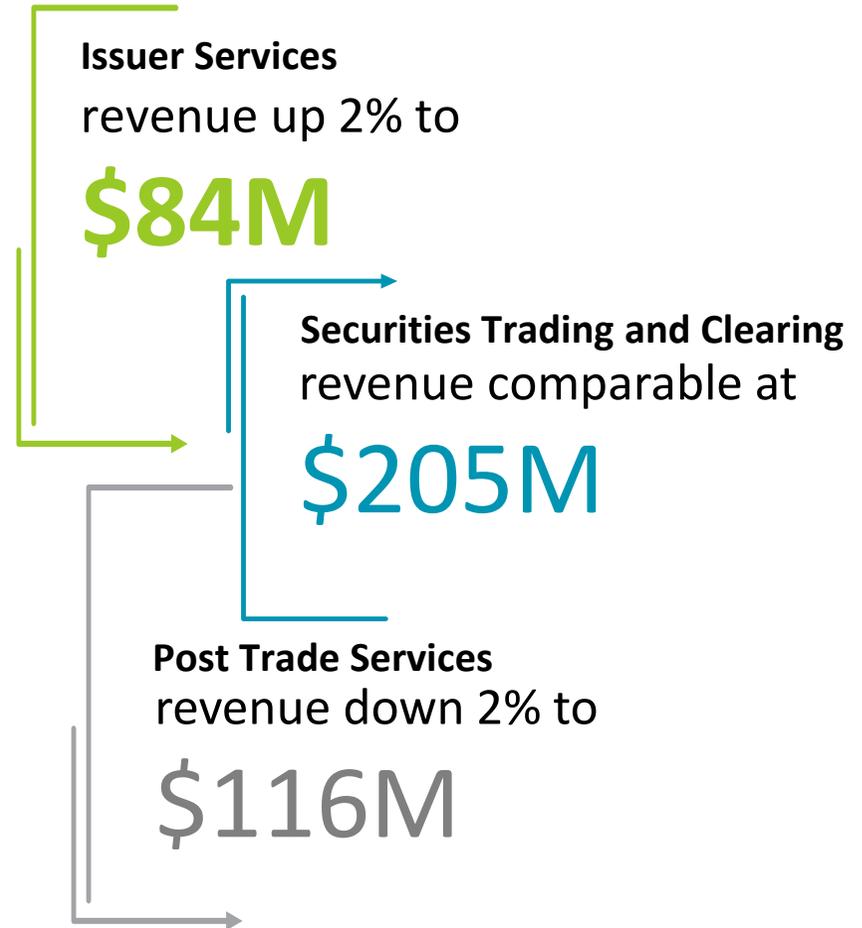
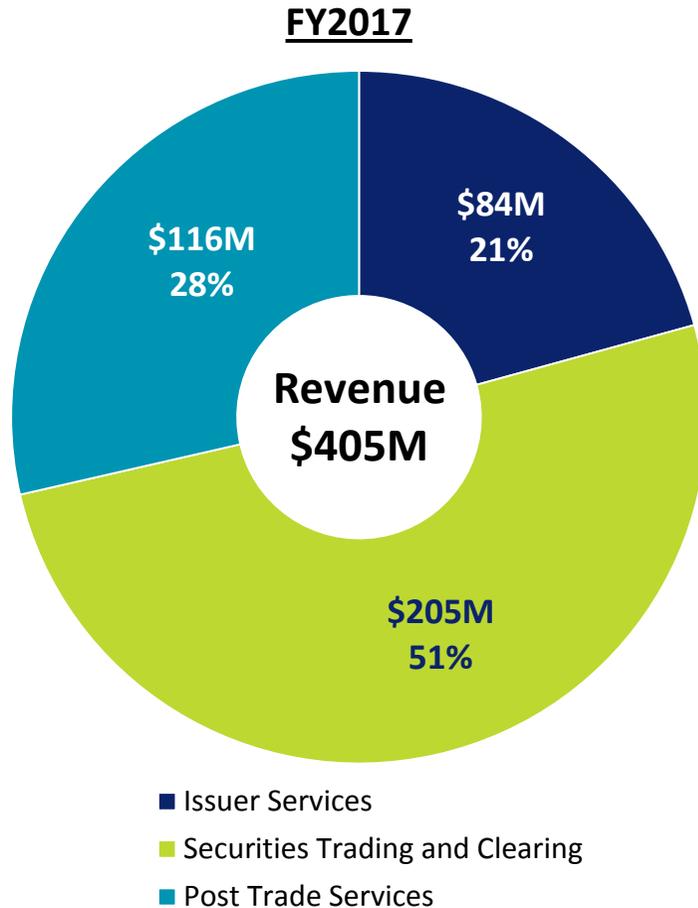
Key Clients

- **Sell-side participants** - Clearing & Trading Members and partner brokers who act as agents to clients.
- **Interdealer brokers** - Facilitate execution of business between clients of our Members
- **Corporate trade clients** - Use our derivative products for hedging their risks e.g. Steel Mills; Insurance firms; Oil companies ...
- **Institutional investors** – Including funds that invest in our market for various investment needs e.g. hedging, income, growth ...
- **Proprietary Trading Groups** – Companies that trade on markets using their own capital. Examples include market-makers and liquidity- providers.

Equities & Fixed Income

Overview

Equities and Fixed Income

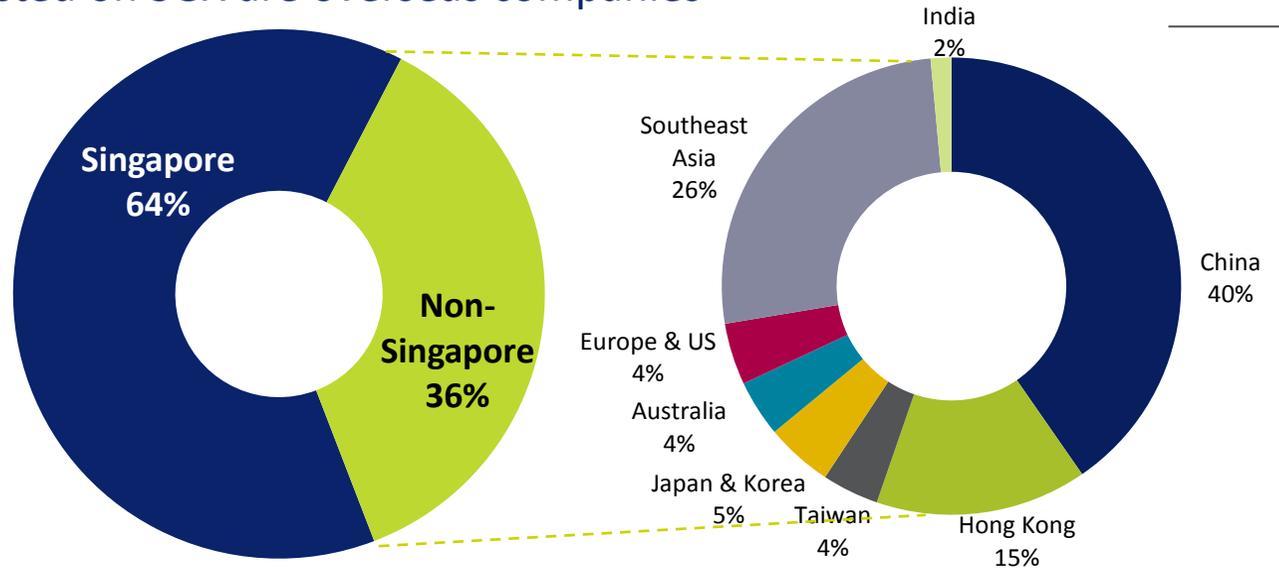


Note: Numbers may be subject to rounding. Comparatives are based on figures for a year earlier in FY2016
Source: SGX. Data as of FY2017

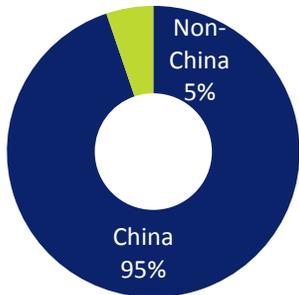
SGX is the Most International Exchange

Nearly 40% of all companies listed on SGX are overseas companies

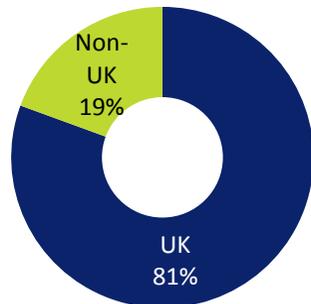
Singapore Exchange
 754 Listed Companies
 Market Capitalization
 US\$760 billion



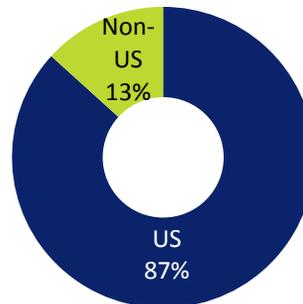
Hong Kong Stock Exchange



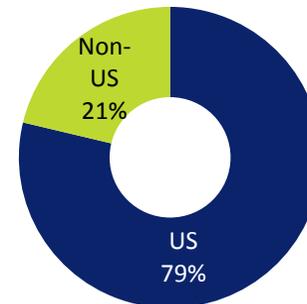
London Stock Exchange



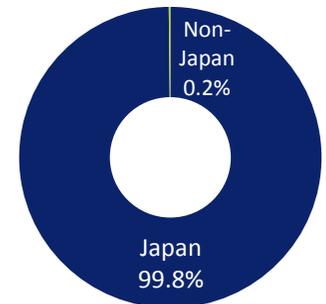
NASDAQ



New York Stock Exchange



Tokyo Stock Exchange



Source: World Federation of Exchanges and Companies' website (May 2017), Singapore Exchange (July 2017)

Key Sectors

Consumer



PE: 20x

- Includes agri-commodities, food & beverage and retail
- 153 companies with market cap of US\$113 billion

Technology



PE: 15x

- Includes information & communications technology, medical technology and financial technology
- 78 companies with market cap of US\$57 billion

Healthcare



PE: 47x

- Full range of companies from pharmaceuticals, healthcare services to medical devices technology
- 31 companies, 2 REITs and 1 Trust with market cap of US\$36 billion

Maritime & Offshore Services



PE: 20x

- Asia's largest cluster of listed companies
- 55 companies and 3 business trusts with market cap of US\$24 billion

Mineral, Oil and Gas



PB: 2.6x

- Companies in exploration, development and production of mineral or oil & gas
- 28 companies with market cap of US\$2.5 billion

Real Estate



PB: 0.9x

- Asia's broadest range of real estate companies and property trusts covering global real estate assets
- 96 real estate companies and property trusts with market cap of US\$135 billion

Note: PE/PB using weighted market capitalisation average

Source: Bloomberg & Singapore Exchange (July 2017)

Higher Funds Raised And Resilient SDAV Despite Challenging Macro Environment

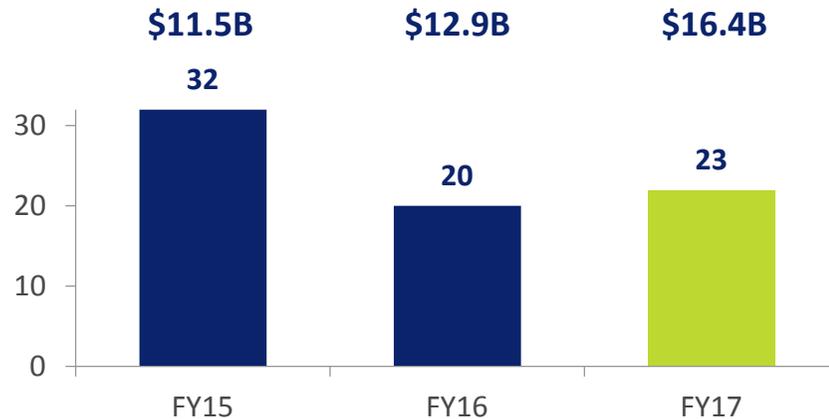
Equity Listings

- 23 listings in FY2017, 10% higher YoY
- S\$16.4B funds raised in FY2017, 27% higher YoY

Trading Activities

- FY2017 SDAV 2% higher YoY
- 2H FY2017 SDAV 15% higher HoH, exiting the FY with increased momentum

Equity Listings¹ and funds raised²

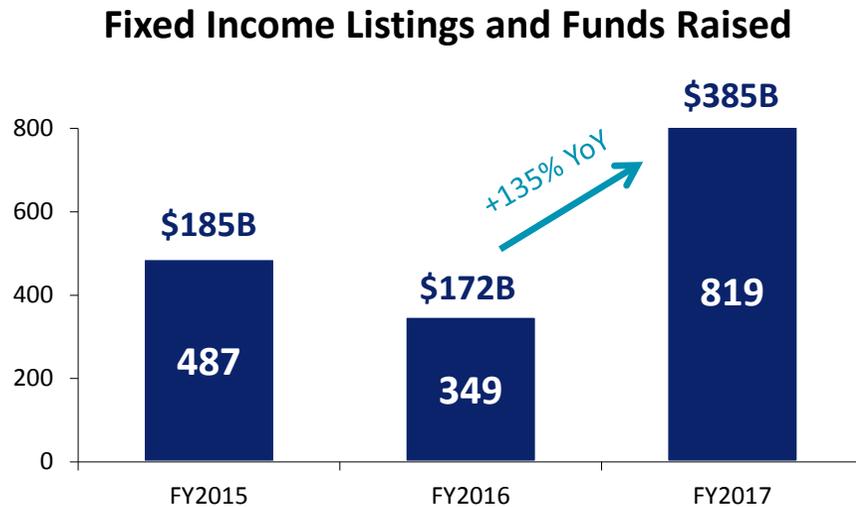


Securities Daily Average Traded Value (SDAV)



Source: SGX ¹ Equity listings include Initial Public Offerings (IPOs) and Reverse Takeovers (RTOs) | ²Includes Placement, Rights and Warrants

Increase In Fixed Income Listings And Market Share



G3 Asia Pac bonds share of issuance

43% in FY2017

Broadened base of new issuers

15 bond listings from
Central & South America

SGX Bond Pro platform

1st Over-The-Counter
trading venue dedicated
to Asian bonds

Source: SGX. Data as of FY2017

Build Liquidity & Profile Companies



Market Makers & Liquidity Providers

- Enhance market quality and lower transaction costs



New Investment Choices

- New Daily Leverage Certificates
- Expand suite of ETFs and Warrants



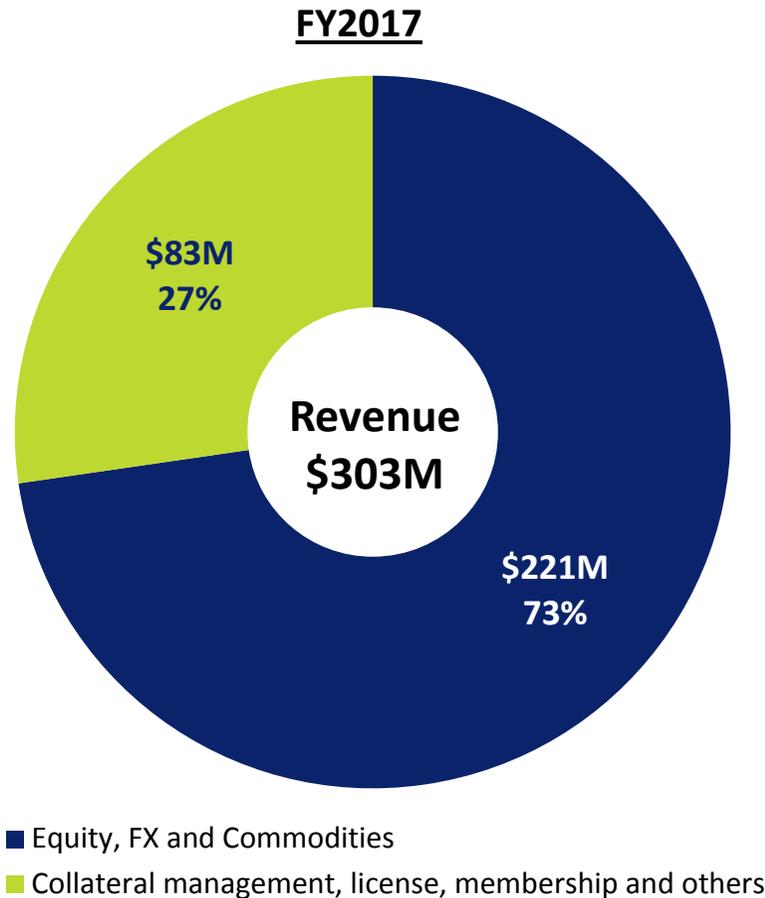
Engage Investment Community

- Corporate Day Roadshows
- SGX Research
- SGX MyGateway
- SGX StockFacts
- Retail Investor Events

Derivatives

Overview

Derivatives



Revenue decreased 7% to

\$303M

Equity, FX and Commodities
revenue down 9% to

\$221M

Collateral management, license and
membership fees
revenue down 2% to

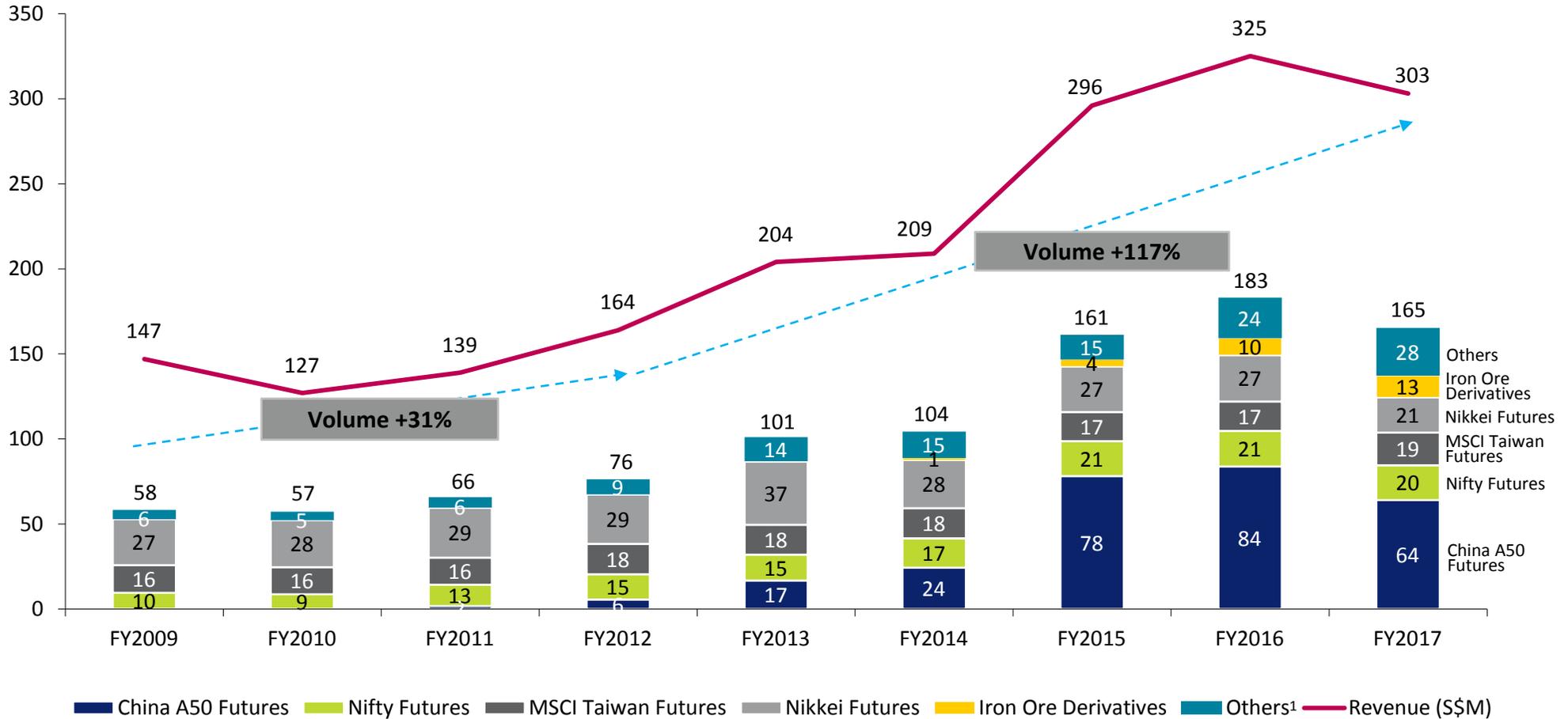
\$83M

Note: Numbers may be subject to rounding. Comparatives are based on figures for a year earlier in FY2016

Source: SGX. Data as of FY2017

World's most liquid offshore market for Asian Derivatives

Growth of Derivatives (Volumes and Revenue, in millions)



SGX ¹ Others include MSCI Singapore, FX futures, Rubber futures and FFA futures, etc

The only liquid offshore access to China and India

Complementary products, margin netting efficiencies

China	
Equity Index Futures	SGX FTSE China A50
Equity Index Futures and Options	MSCI China
FX futures	USD/CNH, CNY/USD, CNY/SGD, EUR/CNH, SGD/CNH
Commodities, Futures, Swaps, Options	Iron Ore

India	
Equity Index Futures & Options	SGX Nifty 50 SGX Nifty IT SGX Nifty CPSE SGX Nifty Bank SGX Nifty Midcap 50
Equity Index Futures	SGX MSCI India
FX futures, options, forwards	INR/USD

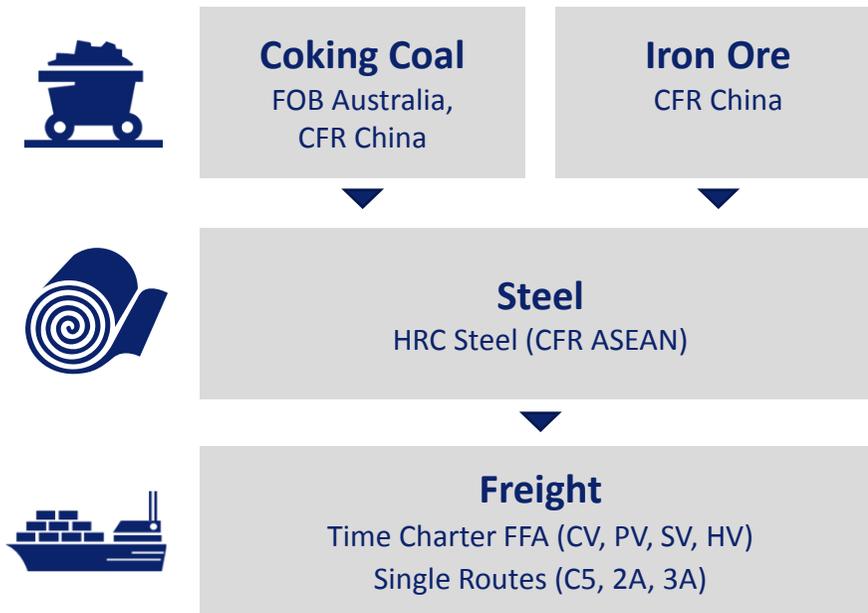
Our Platform

- An integrated Trading and Clearing System offering low-latency high-throughput and enhanced risk controls and system safeguards
- Round-the-clock trading
- Delivering Asia's broadest range of listed derivatives across China, Japan, India, Taiwan and ASEAN
- Efficient client connectivity by putting together an ecosystem of users trading and clearing on-exchange or OTC
- Capital efficiency through the netting of margins

Extensive Suite Of Commodities Products

Complements Singapore's commodities hub status

Price-Discovery Centre For The Steel Value Chain



The Baltic Exchange
Maritime Indices

Other Products In Commodity Franchise



Electricity

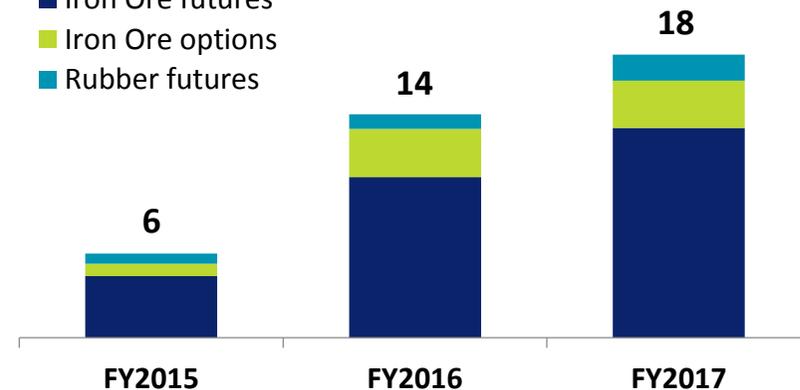
Energy

Gold

Rubber

Total Volume of Contracts Traded (M)

- Iron Ore futures
- Iron Ore options
- Rubber futures



Liquid Currency Futures



SGX USD/CNH Futures
Quarterly Volume and Open Interest



SGX INR/USD Futures
Quarterly Volume and Open Interest

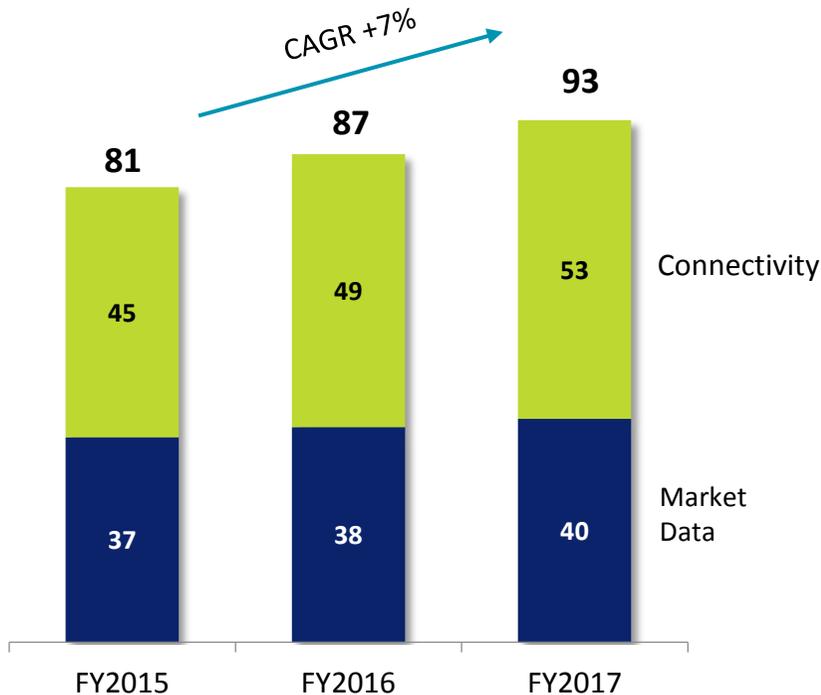


Note: Data as at 30 June 2017

Market Data & Connectivity

Overview

Market Data And Connectivity



- Market infrastructure business driven by increased use of technology in trading
- Supports Securities and Derivatives Trading:

Data: Price data, Company Announcements, Financial Indices

Connectivity: Trading system connections, Network linkages and Data center co-location

Note: Numbers may be subject to rounding.

Source: SGX. Data as of FY2017

SGX Index Edge

Serving The Growing Needs Of Index Investing

- Index business established to take advantage of global shift to index-based investing
- Global Exchange Traded Products (index-based) have AUM of > US\$4tn
- Index funds (unlisted) has grown >230% to > US\$ 6tn since 2007



Index Calculation Service

- Calculating for leading investment banks and asset managers
- Flexible index engine for calculating and disseminating wide variety of indices
- Strong governance framework to meet regulatory requirements



SGX Proprietary Indices

- **Domestic Indices**
 - SGX Thematic indices e.g. S-REIT 20
 - SGX Sustainability index
- **Regional Indices**
 - SGX Developed Asia Quality Dividend Index
 - SGX APAC Dividend REIT

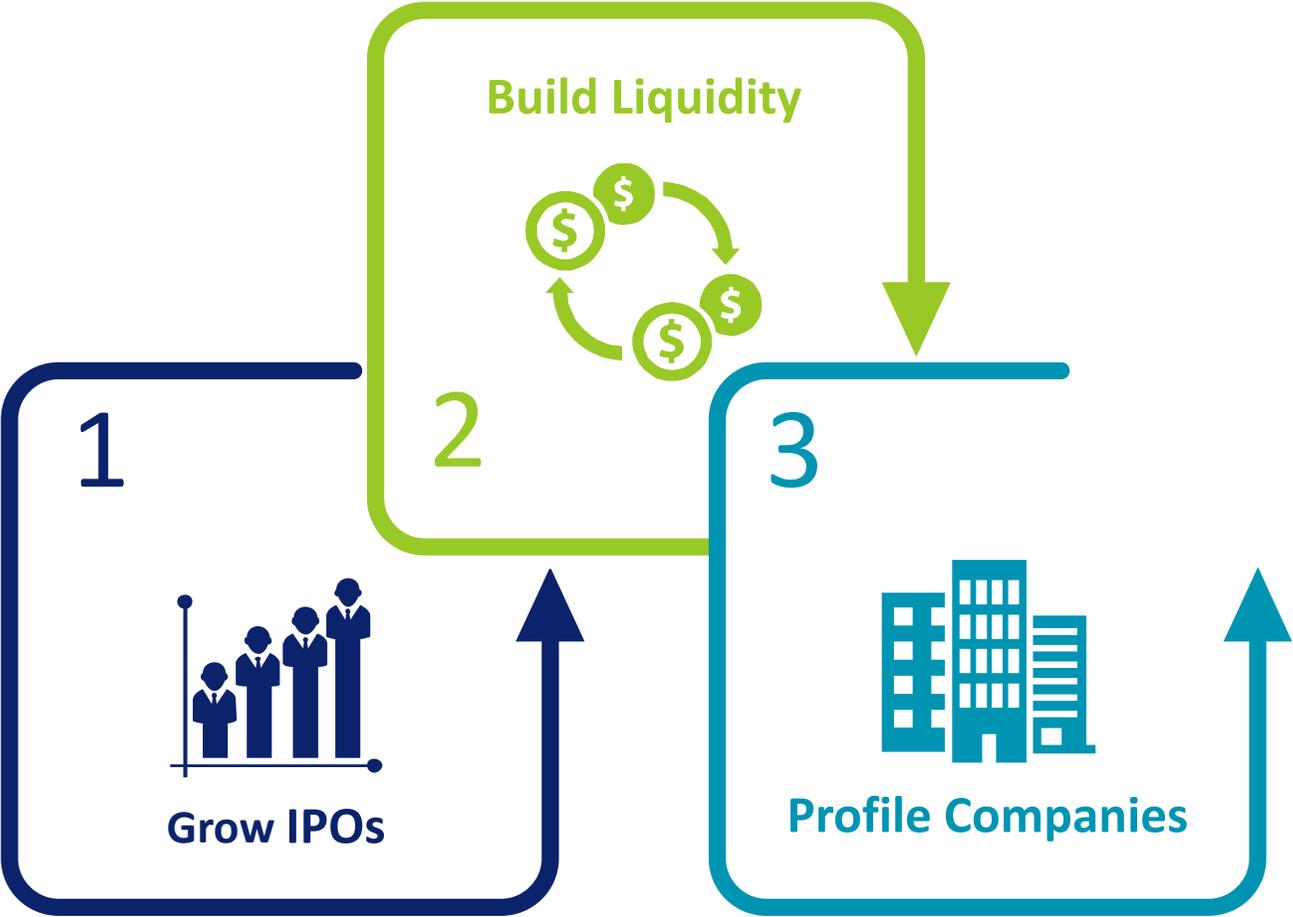
FY18 Strategic Priorities



Grow Asset Classes – Diversification

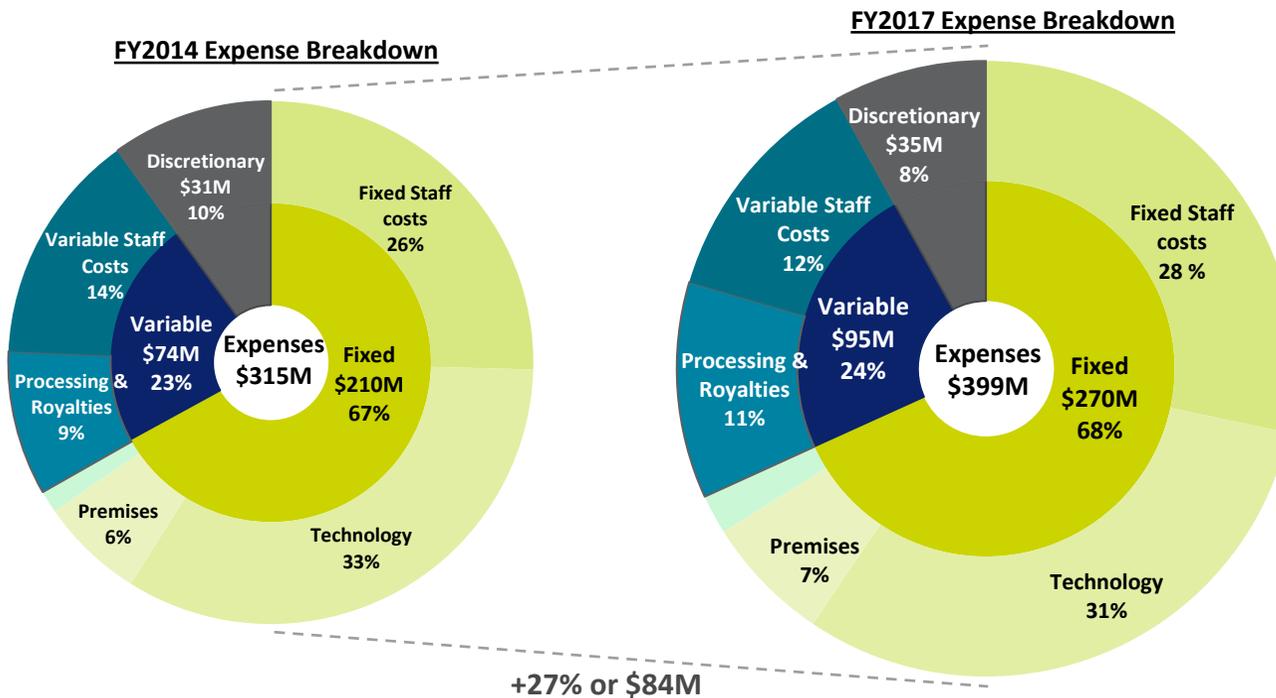
	Size of Market 	Singapore 	SGX 
FX	<ul style="list-style-type: none">▪ US\$5.1 trillion traded daily▪ Largest off-exchange (OTC) market globally▪ Regulatory trends favour shift to on-exchange trading	<ul style="list-style-type: none">▪ US\$500 billion traded daily▪ Largest FX center in Asia Pacific, third largest globally▪ Leading global trading venue for key Asian currencies	<ul style="list-style-type: none">▪ 21 currency futures contracts▪ >70% market share in CNH and > 40% market share in INR
Fixed Income	<ul style="list-style-type: none">▪ Asia (ex-Japan) bond market of US\$14 trillion▪ Shift towards electronic trading	<ul style="list-style-type: none">▪ Strong distribution network to institutional investors	<ul style="list-style-type: none">▪ Leading listing venue with a 40% share of new G3 issuance▪ Launch of SGX Bond Pro

Advance our Securities Market



Expense breakdown by nature

- Investments in building capabilities, acquisitions and business growth
- Cost discipline exercised – Achieved flat JAW in FY2017 compared to negative JAW of -4% in FY2016
- FY2018 expense guidance of \$425M to \$435M



- Fixed costs – 68%
Variable costs – 24%
Discretionary costs – 8%
- Variable costs – Processing & Royalties expenses are volume-related
- Discretionary costs – Focused on distribution capabilities and client-related activities.

Note: Numbers may be subject to rounding

Looking ahead...

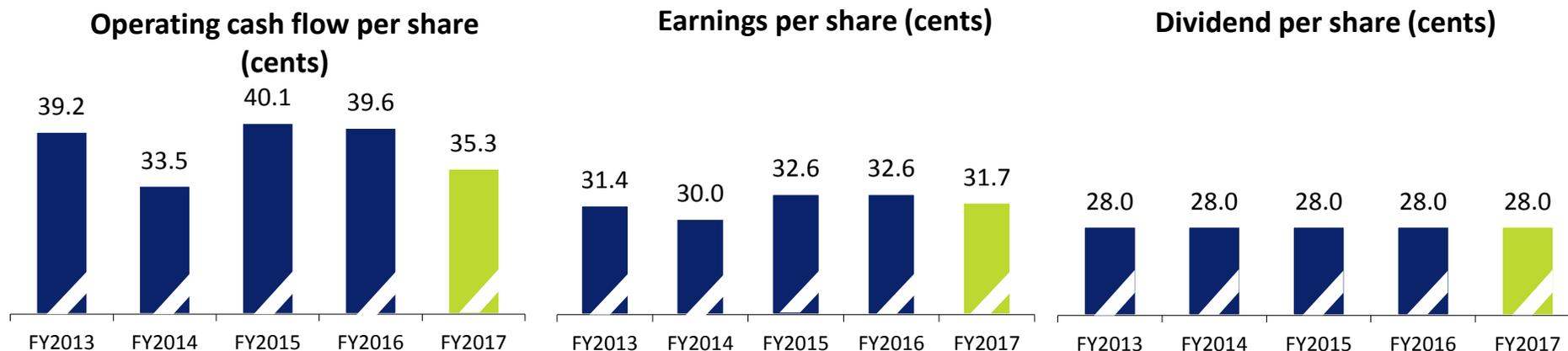
- Market sentiments improving
- Growing interest from companies seeking to raise capital
- Well-placed to meet market needs arising from periods of volatility
- Continue to calibrate expenses with business growth
- Guidance for FY2018
 - Operating expenses expected to be between \$425 and \$435M
 - Technology-related capital expenditure between \$60 and \$65M



Financials

Financial Performance: Key Indicators (Recent years)

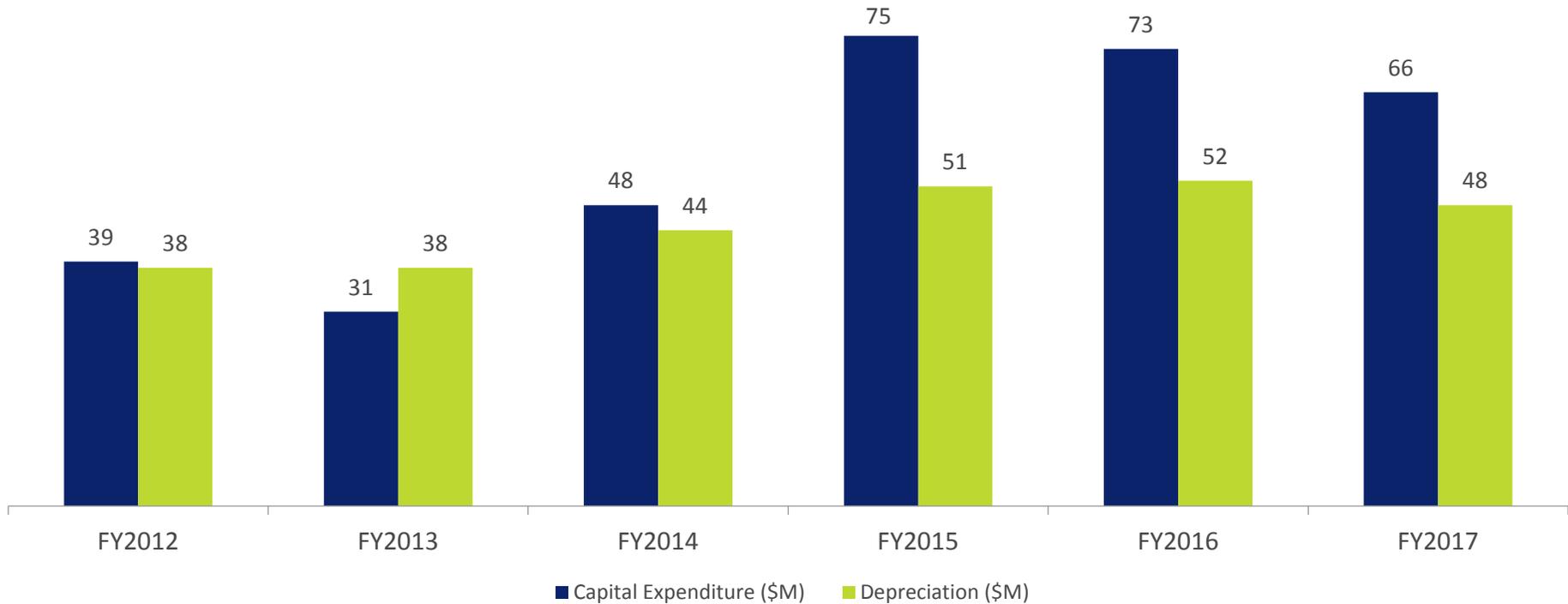
	FY2013	FY2014	FY2015	FY2016	FY2017
Revenue (\$ million)	714	686	779	818	801
Operating profit (\$ million)	413	371	402	409	402
Operating profit margin	58%	54%	52%	50%	50%
Net profit (\$ million)	336	320	349	349	340
Return on equity	39%	35%	37%	36%	34%
Earnings per share (cents)	31.4	30.0	32.6	32.6	31.7
Dividend per share (cents)	28	28	28	28	28



Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

Technology CAPEX and Depreciation: Annual Trend

- FY2017 investments were mainly for the migration to a new secondary data centre, enhancements to our securities post-trade system, and improvements in operational resiliency.
- FY2018 CAPEX guidance of \$60-65M.



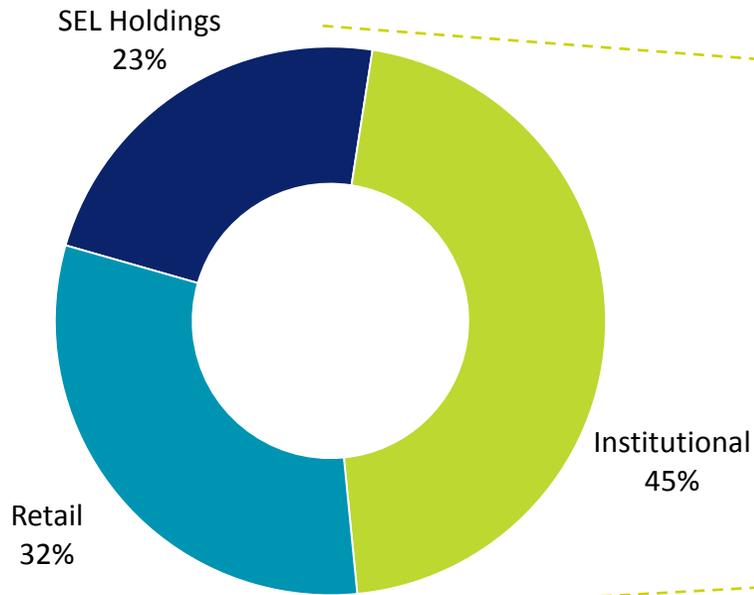
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Appendix

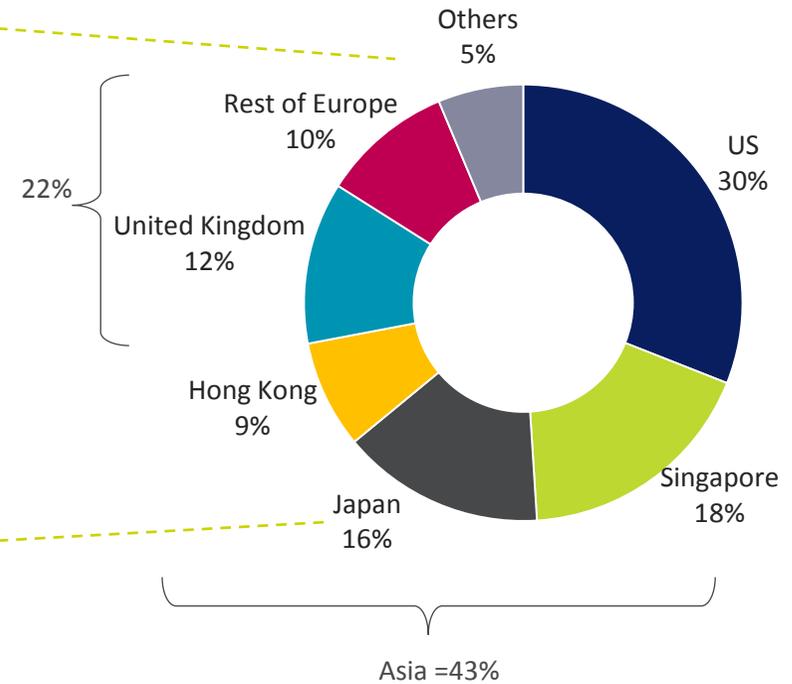
SGX Shareholders' Profile

Broad shareholding base with domestic retail shareholders, as well as domestic and international institutions

SGX Shareholder Composition¹



Institutional Shareholding by Geography

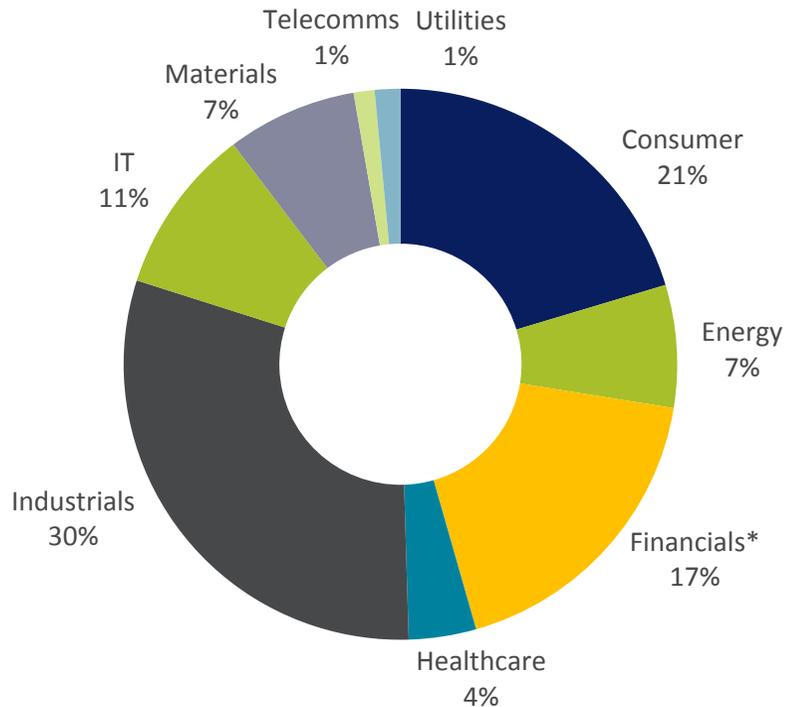


¹ As of June 2017

Equities & Fixed Income - Diversity of Listed Companies

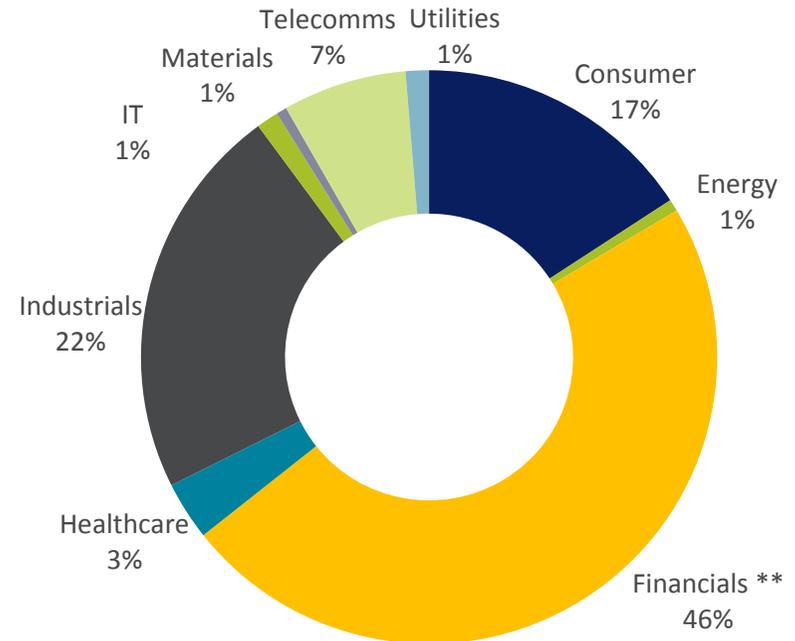
Breakdown by Number of Companies

754 companies in total



Breakdown by Market Capitalisation

US\$759 billion in total



Note: * Real Estate accounts for 14% of the 754 companies
 ** Real Estate accounts for 19% of the total market capitalisation of US\$759B

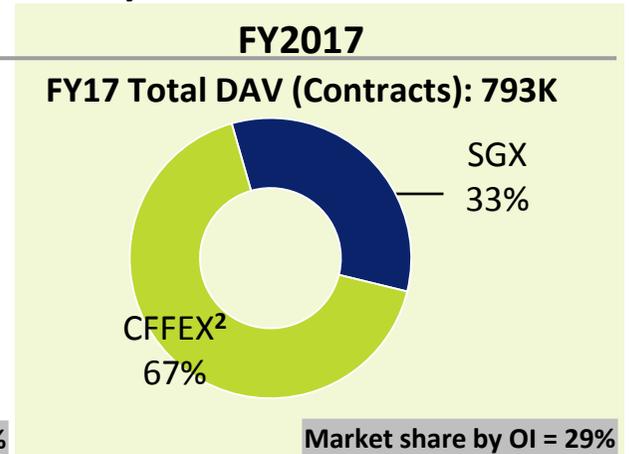
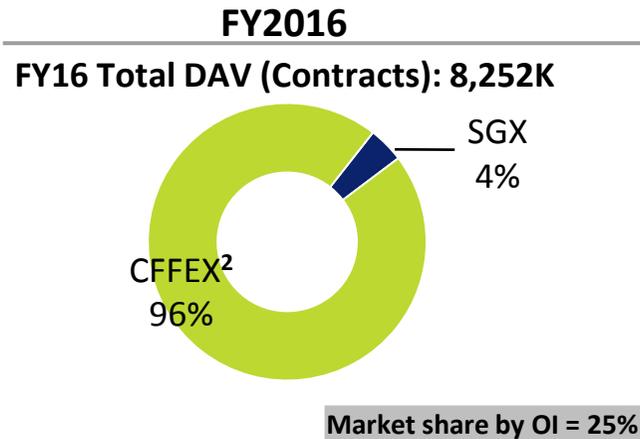
Source: Singapore Exchange & Bloomberg (July 2017)

Derivatives – Equities Volume Market Share

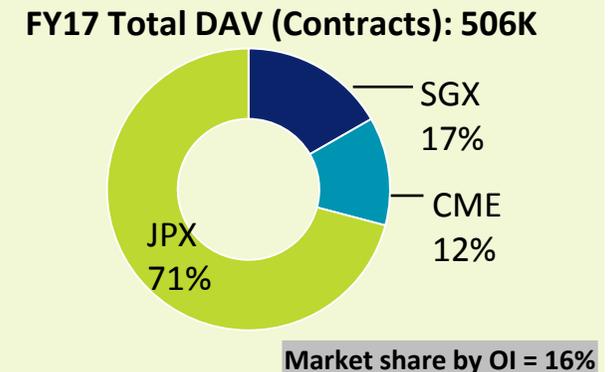
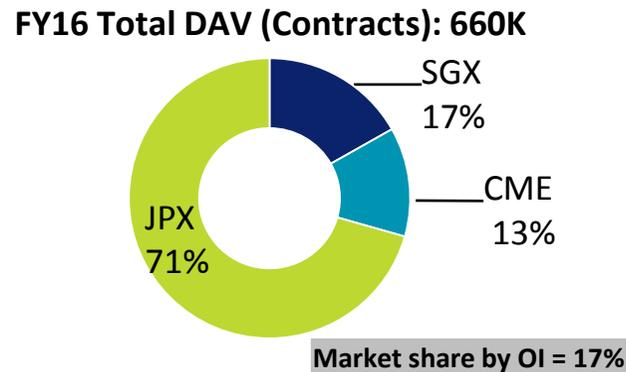
- Volume market share in key contracts growing or maintained
- Market share by Open Interest(OI) comparable or higher year-on-year

Volume Market Share of Key Contracts¹

SGX FTSE China A50
Index futures



Japan Nikkei 225
Index futures



Derivatives – Equities Volume Market Share

- Volume market share in key contracts growing or maintained
- Market share by Open Interest(OI) comparable or higher year-on-year

Volume Market Share of Key Contracts¹

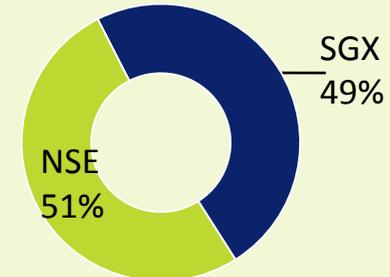
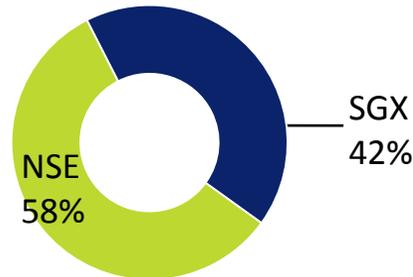
FY2016

FY2017

SGX Nifty 50 Index
futures

FY16 Total DAV (Contracts): 201K

FY17 Total DAV (Contracts): 173K



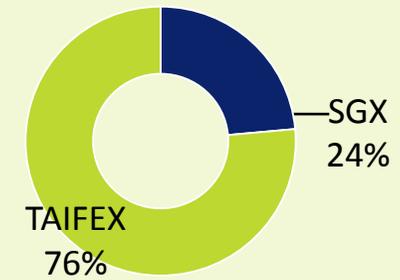
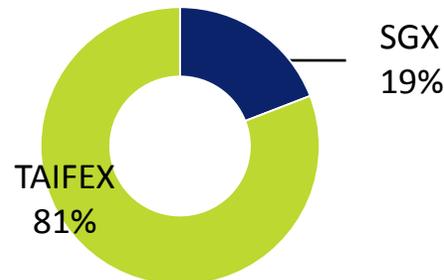
Market share by OI = 66%

Market share by OI = 67%

MSCI Taiwan Index
futures

FY16 Total DAV (Contracts): 370K

FY17 Total DAV (Contracts): 336K



Market share by OI = 53%

Market share by OI = 52%

Thank You

Singapore Exchange

Beijing ▪ Hong Kong ▪ London ▪ Mumbai ▪ Shanghai ▪ Singapore ▪ Tokyo

sgx.com

Forward Looking Statements

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